

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2007-33-E

APPLICATION OF LOCKHART POWER COMPANY FOR A RATE INCREASE

Pursuant to S.C. Code Ann. §§58-27-860 and 58-27-870 (Supp. 2006), Lockhart Power Company (Lockhart or the Company) filed an application for a general increase in its electric rates with the Public Service Commission of South Carolina (the Commission). Lockhart is a public utility operating in South Carolina, where it is engaged in the generation, transmission, distribution and sale of electricity to the public for compensation. According to the Application, Lockhart currently charges rates approved by the Commission as allowed by Order No. 2002-794 (Docket No. 2002-122-E). The Application reveals that Lockhart has been making investments in its generation, transmission, and distribution systems. Lockhart's return on rate base for its retail operations is 10.7% for the twelve months ended December 31, 2005 – the Test Year. Further, the Application states that Lockhart has recently made significant investments in generation, which will result in a further decrease in its return on rate base.

The Application includes a copy of the Company's proposed and present rates. Lockhart's proposed rates will produce a rate of return on retail rate base of 12.5% during the Test Year after the appropriate pro forma adjustments have been made, according to the Application. Additionally, the Application reveals that the proposed rates will produce an overall increase in retail revenues of 4.4% or a \$592,722 annual increase over the present test year retail revenue. According to the Company, Lockhart has designed its rates in a way that will move each customer class toward the average rate of return, while mitigating the impact of the increase on any individual class of customers. The proposed average increase to the residential class is 9.20%; commercial class is .32%; street lighting is 13.05%; and outdoor lighting is 13.61%. Amount and percentage increases vary by rate schedules within these classes, and individual customer bill increases may also vary depending upon actual usage pattern and amount of consumption. In addition, Lockhart intends to collect from its retail customers during the first month in which the proposed rates are in effect the unbilled revenue resulting from Lockhart's Purchased Power Adjustment Clause, the mechanics of which create a one-month delay in its collection.

A copy of the Company's Application and proposed rates and charges, as well as the proposed terms and conditions of service can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina 29211. Additionally, Lockhart's Application is available on the Commission's website at www.psc.sc.gov.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina on **Tuesday, June 19, 2007, at 10:30 a.m. (and continued to 10:30 a.m. on Wednesday, June 20, 2007, if necessary.)**

Any person who wishes to participate in this matter as a party of record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **March 16, 2007**, and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. Please refer to ***Docket No. 2007-33-E***.

Any party who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below, the Office of Regulatory Staff, at Post Office Box 11263, Columbia, South Carolina 29211 and John Bowen, Jr., Esquire, McNair Law Firm, PA, at P. O. Box 11390, Bank of America Tower, Columbia, South Carolina 29211 on or before **March 16, 2007** and indicate the amount of time required for the presentation. Please refer to ***Docket No. 2007-33-E***.

Any person who wishes to request that the Commission hold a public hearing in his or her county of residence in order to hear comments from the utility's customers should notify in writing, the Docketing Department at the address below, the Office of Regulatory Staff, at Post Office Box 11263, Columbia, South Carolina 29211 and John Bowen, Jr., Esquire, McNair Law Firm, PA, at P. O. Box 11390, Bank of America Tower, Columbia, South Carolina 29211 **on or before March 30, 2007**. Please refer to ***Docket No. 2007-33-E***.

Any person, who wishes to be notified of the hearing, but does not wish to present testimony or participate as a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before **March 16, 2007**. Please refer to ***Docket No. 2007-33-E***.

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, South Carolina, 29211

2/16/07